

FISCAL NOTE

HB 856 - SB 1019

March 25, 2003

SUMMARY OF BILL: Creates a three day sales tax holiday on the first consecutive Friday, Saturday, and Sunday in August of each year. During this time, no tax is imposed on any single article or item of tangible personal property sold at retail and having a value not exceeding \$1,000.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$95,000,000

Decrease Local Govt. Revenues - Exceeds \$30,000,000

Estimate assumes:

- 70% of all sales tax revenue is generated from sales of single article items of \$1,000 or less.
- Average daily state sales tax collections of \$15,500,000 of which 70% would be items costing \$1,000 or less.
- Average daily local sales tax collections of \$3,666,000 of which 70% would be for items costing \$1,000 or less.
- An increase in sales of 300% based upon consumer response to the lack of a sales tax.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director